



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	SB0389	Title:	Revise regulation of combative events increase tax on purses
Primary Sponsor:	Squires, Carolyn	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
State Special Revenue	\$44,269	\$31,549	\$32,338	\$33,146
Revenue:				
State Special Revenue	\$44,269	\$31,549	\$32,338	\$33,146
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

Additional revenue and expenditures are associated with the regulation of additional combative events throughout the State of Montana.

FISCAL ANALYSIS

Assumptions:

- As a result of SB 389, the department will regulate an average of 6 additional combative events per month for a total of 72 events. At each of these events the average number of licenses issued is 36 for a total of 2,592 additional licenses per year.
- Currently the department pays a contract inspector \$150 plus travel to officiate these events. Contracted services will increase $\$150 \times 72 \text{ events} = \$10,800$ for each year of the biennium.
- The department contracts with inspectors located geographically throughout the state. Travel will increase \$16,949 for each year of the biennium. The average miles traveled is 250 round trip $\times \$0.55$ per mile = $\$137.50 \times 72 \text{ events} = \$9,900$. Meal reimbursement is $\$23 \times 72 \text{ events} = \$1,656$. One night's lodging $\times \$70$ room plus $\$4.90$ room tax = $\$74.90 \times 72 \text{ nights} = \$5,393$.
- The department will propose rules to implement the statute. It is assumed there will be a minimum of 25 pages for the rule proposal notice, 10 pages for the rule adoption notice, and 20 rule pages at \$50 per page for a cost of \$2,750 in FY 2010.
- It is estimated there will be 100 hours of attorney time to write the rules and prepare the rule notice at \$95 per hour for a cost of \$9,500 in FY 2010.

6. Interested parties will need to be notified of the proposed rules, the hearing and adoption of the rules. It is estimated there will be 50 interested parties who will be notified by post card and guided to the department's website to review the notices. Printing and mailing is estimated to be \$100 in FY 2010 (50 x \$1 for printing and postage x 2 mailings).
7. The cost of the rule hearing is estimated to be \$370 in FY 2010 (court reporter @ \$100 per hour x 2 hours = \$200; hearings examiner @ \$85 per hour x 2 hours = \$170).
8. It is estimated one additional legal case per year will go to hearing. Legal costs for each year of the biennium will be \$3,800 (average 40 hours per case x \$95 per hour).
9. The additional administrative workload and IT costs to enhance the database will be conducted by existing staff.
10. The total increase for FY 2010 would be \$44,269 and for FY 2011 would be \$31,549.
11. License fees will be set commensurate with costs.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$44,269	\$31,549	\$32,338	\$33,146
TOTAL Expenditures	<u>\$44,269</u>	<u>\$31,549</u>	<u>\$32,338</u>	<u>\$33,146</u>
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$44,269	\$31,549	\$32,338	\$33,146
TOTAL Funding of Exp.	<u>\$44,269</u>	<u>\$31,549</u>	<u>\$32,338</u>	<u>\$33,146</u>
<u>Revenues:</u>				
State Special Revenue (02)	\$44,269	\$31,549	\$32,338	\$33,146
TOTAL Revenues	<u>\$44,269</u>	<u>\$31,549</u>	<u>\$32,338</u>	<u>\$33,146</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	\$0	\$0	\$0	\$0

Technical Note:

1. HB 171 sunsets the Board of Athletics and repeals all statutes contained in SB 389.

Sponsor's Initials_____
Date_____
Budget Director's Initials_____
Date